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EXAMINER

FELTEN, DANIEL S

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

DETAILED ACTION

1. Receipt for the Request for Continued Examination filed 02/06/2009 is acknowledged.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-5 and 7-16 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Re claim 1: In the "determining..." and "generating..." limitation is not clear as to what structure performs these limitations. Re claim 2, same for "enabling..." and "determining..." limitations. Re claim 7: it is not understood the "spreading..." limitation
4. Claims 1-5 and 7-16 rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: Re claim 1: how at least one of the number of borrowers and guarantors are determined. How an individual global debt report and an individual financial report are generated. Re claim 2: How a loans to one borrow threshold is met. How a financial institution to regulate its credit policy and credit risk in relation to regulations is enabled.
5. Claims 1-5 and 7-16 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.

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6. Based on Supreme Court precedent (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (the Supreme Court recognized that this test is not necessarily fixed or permanent and may evolve with technological advances. *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972)).

7. If neither of these requirements is met by the claim(s), the method is not a patent eligible process under 35 U.S.C. §101.

8. In this particular case, regarding the first test, in performing the steps of the claimed subject matter, there is no requirement that a machine be used, thus the claims are not considered sufficiently tied to another statutory class. Regarding the second test, since the claimed subject matter may be performed using only human intelligence, the steps do not sufficiently transform the underlying subject matter to be statutory.

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1-5, 7-16 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sweeney, (US 20030065614) in view of Schnall, (US 20020116323) and Halper et al (US

Re Claim 1: Sweeney teaches a method comprising: consolidating financial information from at least one of a borrower, a guarantor and a property into a central database; (Page 3, Paras. 37-40)

calculating financial cash flow for at least one of the guarantor, the borrower and the property (Page 1, Para. 4)

Sweeney fails to disclose unifying individual and corporate financial wealth, which is based upon the step of calculating financial cash flow, to determine global debt service, wherein the global debt service is further based upon individual global debt service information and corporate global debt service information. However, Applicant appears to intend (when considering the dependent claims) that the term global debt service is more of a "cash in-cash out" calculation which Sweeney teaches albeit in the form of a matrix. Sweeney does not appear to expressly disclose an analysis that is based on added values.

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Schnall discloses credit information associated with a secondary party which may be analyzed to assist in approving the loan (see para 18). The secondary party can be a person, an organization such as corporation, partnership or any other entity capable of assisting party to qualify for a loan. Schnall also seeks to consolidate information of both business and personal entities in order to determine loan eligibility, including total debt and total income. Thus one of ordinary skill in the art at the time of the invention of Sweeny would be motivated to be modified by Schnall to provide the most accurate credit picture available, by the consolidation of both corporate and personal financial wealth. Thus Sweeny would recognize the fact that such a modification by Schnall would result in lower default and better credit decisions.

Sweeny and Schnall fails to disclose performing risk assessment based upon net profit, depreciation data, net cash flow, current debt and proposed debt. However, Sweeny and Schnall suggest the fact that one of ordinary skill in the art would recognize that in the loan and/or credit processing art, guarantors (e.g. underwriters, lenders, etc.) are greatly concerned with risk assessment measures in order to qualify or disqualify loans based upon lenders' criteria (see Sweeny paras 0040-0042; and Schall paras 0017-0018).

In particular, Sweeny discloses scoring loans/lenders that are the "best-fit" for applicant's financing needs (see Sweeny para 0040). Sweeny further discloses loan Applications that meet certain criteria may be passed to a loan product identifier. The loan product identifier applies the lender's loan product parameters, *eligibility parameters* and business logic to identify loan products whose requirements are satisfied by a particular loan application.

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Schnall discloses a loan processing system that receives information about a primary party and determines if the primary party qualifies to receive a loan based upon credit information and loan information (see 0017).

Similar to both Sweeny and Schnall, Halper receives information about a loan, and like Sweeny, Halper calculates various scores (fraud, underwriting, property valuation scores) into one score (risk score) which are considered risk factors that are used to determine whether or not to approve/fund a loan or an insurance claim (see Halper Abstract, paras 0022-0025).

The applicant performs a risk assessment based upon different risk factors, such as net profit, depreciation data, net cash flow, current debt and proposed debt. However the combined references suggest that design incentives would have prompted one of ordinary skill in the art to modify Sweeny to use various lender's criteria to provide scores to lenders in order to determine what loans borrowers would qualify for. Thus to employ the old and well known risk factor variations of net profit depreciation data, net cash flow, current debt and proposed debt would meet the difference between the claimed invention and the prior art and therefore the implementation of such risk factors would have been predictable in order to approve or deny a loan.

Re Claim 2, a method further comprising: determining whether a loans to one borrower threshold is met; (see Sweeny, Page 3, Para. 39)

enabling a financial institution to regulate its credit policy and credit risk in relation to accepted regulations; and (see Sweeny, Page 2, Para. 28)

enabling the financial institution to identify demographics (see Sweeny, Page 1, Para. 15)

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Re Claim 3, the borrower threshold is a minimum dollar amount. (see Sweeny page Para. 39)

Re Claim 4, Sweeney teaches a method wherein: the currently accepted regulations are at least one of governmental and banking regulations. (Page 2, Para. 28)

Re Claim 5, Sweeney teaches a method wherein: the demographics include at least one of an industry type and an industry sector. (Page 2, Para. 28)

Re Claim 6, Sweeney teaches a method wherein: unifying includes determining at least one of the number of borrowers and guarantors; (Page 3, Paras. 37-39)

obtaining individual financial information; (Page 5, Table 1, "Personal Credit History")

obtaining individual global debt service information (Page 5, Table 1, "Personal Credit History")

Sweeney does not specifically disclose: generating an individual global debt service report; and generating an individual financial report, in that Sweeney teaches a "matrix", e.g. report, that considers both personal and corporate indicators. However, Schnall teaches making a debt report on an individual at (Page 3, Para. 32).

It would have been obvious at the time applicant's invention was made to combine the teachings of Sweeney relating to collecting and consolidating borrower information with the teachings of Schnall, relating to forming a debt report on the individual. The motivation for such

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a combination is to present data in a compact, easy-to-use manner, as pointed out in Schnall at (Page 1, Para. 7) where it discusses the benefits of knowing the status of administered loans.

Re Claim 7, Sweeney teaches a method wherein unifying further comprises:

obtaining corporate financial information; and (Page 2, Para. 34 - Page 3, Para 35)

spreading and calculating corporate financial reports.

(Page 3, Para. 42)

Re to Claim 8, Sweeny teaches a method further comprising:

obtaining a corporate global debt service information; (Page 2, Para. 34 - Page 3, Para 35)

and generating a corporate global debt service report.(Page 3, Para. 42)

Re to Claim 9, Sweeny does not expressly teach a method wherein:

the individual global debt service report includes at least one of asset information and a ratio between income and expenses. However, Schnall teaches making a debt report including asset information of an individual and a ration in terms of a credit report at (Page 2, Para. 17). It would have been obvious at the time applicant's invention was made to combine the teachings of Sweeney relating to creating a debt service report in the form of a credit analysis with the teachings of Schnall, relating to including asset information and other financial data relating to the applicant for credit. The motivation for such a combination is to present data in a compact, easy-to-use manner, as pointed out in Schnall at (Page 1, Para. 7) where it discusses the benefits of knowing the status of administered loans.

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Re Claim 10, Sweeny does not expressly teach a method wherein:

the individual financial report includes at least one of a credit report, asset and liability information and tax information. However, Schnall teaches making a debt report including asset information of an individual and a ration in terms of a credit report at (Page 2, Para. 17).

It would have been obvious at the time applicant's invention was made to combine the teachings of Sweeney relating to creating a debt service report in the form of a credit analysis with the teachings of Schnall, relating to including asset information and other financial data relating to the applicant for credit. The motivation for such a combination is to present data in a compact, easy-to-use manner, as pointed out in Schnall at (Page 1, Para. 7) where it discusses the benefits of knowing the status of administered loans.

Re Claim ii, Sweeny teaches the method wherein:

the corporate financial information includes at least one of current assets, liabilities and credit information. (Page 5, Table 1)

Re Claim i2, Sweeny teaches the method wherein: the corporate financial reports include at least one of current asset information, non-current asset information; general liability information, net worth information, income, expenses and adjustments to earnings. (Page 3, Para. 42, Page 5, Table 1).

Re Claims i3-i6, Sweeny does not specifically detail each of the "formulas" that are claimed for calculating cash flow, individual global debt service, and corporate global debt service. However, these specific formulae are standard accounting techniques and as such, are old

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and well known in the art. For any of Claims 13-16, it would have been obvious to incorporate these known practices into a method reflecting a Sweeny-Schnall combination that teaches a loan application evaluation and report based upon both individual and corporate cash flow and debt service.

The motivation for such an incorporation is stated in Sweeney at (Page 1, Para. 14) where it discusses the importance of standardizing business practices, eg credit-granting decisions, which would occur using established accounting practices.

Re Claim 30, Sweeny teaches the method wherein the consolidating, calculating and unifying steps are based upon information received from a score based decisioning engine, a non-score based decisioning engine and a commercial and real estate decisioning engine. (Para. 59; Page 5, Table 1).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL S. FELTEN whose telephone number is (571)272-6742. The examiner can normally be reached on Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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